

Daily Economic Newsletter: 4 August 2015

1. India can always be part of our big-ticket projects: Iran

Source: **Times of India** ([Link](#))

As it prepares for billions of dollars of investments in the oil sector following the nuclear deal, Iran today said it will welcome India's participation in various "big ticket projects" in diverse sectors including enhancing transport infrastructure in the region.

Holding that India has emerged as an economic power, Iranian Ambassador Gholamreza Ansari said both the countries can work together in mega connectivity projects in the region and cited the deal to develop strategically located Chabahar port. *"India can be always part of any big ticket projects in Iran,"* he said.

2. Make in India: Sony Corp inks pact to manufacture Bravia line of TVs at Foxconn's plant near Chennai

Source: **Economic Times** ([Link](#))

Sony Corp is back to manufacturing in India after more than a decade. The Japanese consumer electronics major has entered into an agreement to manufacture its Bravia line of televisions at Taiwanese contract manufacturer major Foxconn's plant near Chennai. It is also evaluating the possibility of making smartphones in the country and may eventually set up its own plant in India, Sony India managing director Kenichiro Hibi said.

"The government's 'Make in India' policy and the growing importance of India for Sony worldwide has accelerated our decision to manufacture in India once again," Hibi told ET. *"Local production will help us to be more competitive, lower costs and allow faster turnaround time to launch newer models,"* he said.

3. Indian consumers not buying enough Qatar gas, says Petronet

Source: **Live Mint** ([Link](#))

Indian consumers have only taken 68% of the annual gas supplies contracted by Petronet LNG Ltd from Qatar as they perceive the price to be high. Petronet's liquefied natural gas (LNG) contract is to import 7.5 million tonnes per annum (mtpa) from Qatar's RasGas Co. Ltd for a period of 25 years. Of these, while 11 years have passed, the buyers' aversion stems from the price of around \$12.5 per million British thermal units (mmBtu) as compared to the spot market price of around \$8 per mmBtu.

Speaking to reporters on Thursday, R.K. Garg, director, finance at Petronet LNG, said there was a shortfall in offtake from the long-term Qatar contract. He added that since the contracts are on a "take-or-pay" basis, which means the customer has to pay the supplier even if it doesn't take the supply, the actual outcome will be calculated at the end of the calendar year. "*Contractual provisions are there,*" Garg said, while adding that Petronet is working together with the supplier and buyers to find a solution in the backdrop of lower prices in the spot market.

Petronet, India's leading LNG receiving and regasification company, buys natural gas in liquid form—LNG—from foreign suppliers and converts it to gas before selling it to its Indian customers.

4. Haryana, Rajasthan seek site clearance for new airport

Source: **Business Standard** ([Link](#))

The Civil Aviation Ministry has received proposals for site clearance from Haryana and Rajasthan for setting up an airport, Lok Sabha was informed today. The Steering Committee, set up for greenfield airports, looked into Rajasthan's proposal and has recommended the Civil Aviation Ministry for site clearance. Whereas the Haryana government has been asked to rework the proposal, Minister of State for Civil Aviation Mahesh Sharma said in Lok Sabha.

The Ministry has already cleared a proposal for setting up a second airport in National Capital Region (NCR), he said. "*Delhi-Mumbai Industrial Development Corporation Limited had submitted a proposal for grant of site clearance for setting up a greenfield (new) airport for both passenger and cargo services at Kotkasim Tehsil in the Alwar district of Rajasthan,*" Sharma said in response to a question.

5. Manufacturing growth hits 6-month high; hiring still sluggish

Source: **Business Standard** ([Link](#))

In a smart recovery, the manufacturing sector grew at its fastest pace in six months in July on increased export order flows but hiring remained sluggish, a monthly survey showed today. The data came a day before RBI's scheduled monetary policy review meeting, where the central bank is widely expected to keep its policy rates unchanged. However, some analysts including those at Moody's Analytics expect a rate cut as a sustained recovery is yet to be seen in manufacturing sector.

The Nikkei India Manufacturing PMI -- a composite indicator of manufacturing sector performance -- rose to 52.7 in July from 51.3 in June, logging a six-month high, indicating an improvement in business conditions. A figure above 50 represents expansion while one below means contraction.

By Harsha Hazarika